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This newssheet is published in six languages (English, French, German, Dutch, Italian and Spanish) by the Directorate-General for Information of the

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Its contents do not necessarily reflect the official views of the Community institutions.



REGIONS: Regional aids to poorest areas

The European Regional Development Fund gave almost £939 million in aid to the Community's poorest regions in 1981. This represents a 52 percent increase on the previous year, according to the recently approved seventh annual report of the Fund.

The gap between the Community's rich and poor regions has widened since Greece became a member of the EEC. Today, the difference between per capita gross domestic product varies between 1 and 10, compared to between 1 to 5 only a few years ago. The economic crisis has accentuated the disparities between the rich regions such as Hamburg and Paris and the poorer regions in southern Italy, the West of Ireland and Greece.

The European Regional Development Fund, set up as part of the EEC's regional policy, has been contributing to the development of Europe's poorest regions since 1975. The recent economic crisis has prompted an increase in the Fund's resources.

Interventions made under the "quota" section of the Fund (that operates according to a system of national quotas), representing about 95 percent of the Fund's resources, focussed on regions which are facing the most serious problems, mainly in Greece, the Mezzogiorno, Greenland, Ireland and Northern Ireland. This aid focusses essentially on infrastructure projects (roads, telecommunications, water supply, etc.); the rest of the Fund's resources were used to generate about 60,000 jobs, especially through investments in the industry and services sectors.

Since 1979, about 5 percent of the Fund's resources from the "non-quota" section have been used to finance specific actions designed to compensate for the negative effects of certain Community policies or to stimulate development in the poorer regions. Money was used, for instance, to compensate for the impact of enlargement of the Community on the Mezzogiorno and the south western regions of France, for the promotion of tourism and of small and medium-sized businesses in the frontier regions of Northern Ireland, for the improvement of energy supplies in the mountainous regions of the Mezzogiorno and for the development of economic activities in the Belgian regions most affected by the crisis in the steel industry.

INDUSTRY: Shipbuilding on the rocks

Shrinking demand, a slump in world trade and tough competition particularly from Far Eastern producers has forced the European shipbuilding industry to reduce its productive capacity by a quarter since 1976. But despite widespread yard closures and redundancies, Europe's capacity to build ships is still 30 percent larger than we need to meet existing world demand, according to a report just released by the European Commission.

The world recession and its effect on international trade is a central factor behind the gloomy state of the shipbuilding industry. For two consecutive years, total world production has grown by less than 1 percent in volume, Gross Domestic Product in the industrialized OECD countries only grew by 1.2 percent last year and in the European Community it shrank by 0.3 percent. World trade figures only grew by 2.2 percent in 1980 and by 1.7 percent in 1981.

The international shipping community, which handles the lion's share of world trade, has been, predictably, hard hit. Overcapacity and a lack of demand for sea transport resulting in an 8 percent drop in tonnage of cargo carried in 1981 and 1982, has led to a spectacular collapse in freight rates by an average of between 30 and 50 percent in some sectors.

The impact on demand for ships caused by the slump in trade has been catastrophic for European shipbuilding and European Commission officials are pessimistic about the future of the industry, despite fragile signs of world economic recovery, this year. More worrying still for Europe has been the relaxation of voluntary production curbs by Japan, that had been agreed with the European Community at the start of the crisis in the industry in 1976. Government-encouraged over-production by Japan, the world's largest producer with 41 percent of the market and by new shipbuilding nations such as South Korea, before an adequate recovery of the world economy, could mean fewer orders for disadvantaged European yards and fresh unemployment, according to the Commission.

Since 1975 the number of jobs in Europe's shipyards has fallen by about 40 percent and last year was the first time for six years that there was no net reduction in the workforce. Some yards have managed to contain the number of men laid off by diversifying into new areas such as off-shore oil and gas installations.

FISHERIES: A great future for fish farming

Commercial fish farming - an expression which embraces not only the rearing of fish but also of shellfish - is a relatively new industry in Europe.

The advantages of fish farming are clear and economics are at the heart of the matter. For centuries man has hunted fish but today, with the dramatic rise in the cost of fuel and the decimation of fish stocks by overfishing, it seems logical to raise fish in enclosed areas.

The Community is enthusiastic about the idea and its contribution to fish farming has increased regularly over the years reaching £2.75 million in 1982. At the same time, Community funds have helped regional economies of some of the poorer coastal parts of the Community in Scotland, Ireland, Western France and Italy.

Italy, Britain and Ireland are the three countries which have benefited the most from Community aid up to now. In Scotland and Ireland, the European Commission has given the green light to a dozen projects aimed primarily at salmon - which are threatened with disappearance in the North-East Atlantic. In southern Italy, intensive farming has been financed in the Mezzogiorno for eel and sea bass and in northern Italy mullet, sea bass and dorada are raised in the "valli" lagoons, famous for fish farming.

Community aid can contribute up to 25 percent of the total cost of structural expenses, such as construction of fish cages and up to 50 percent in the poorest European regions. In some cases, the Community has also financed processing operations, for the preparation of smoked fish, in Scotland, on the same basis.

The Commission is very keen to see the expansion of fish farming in Europe in the future. At the moment, Community aid is renewed every year by the Council. What the Commission wants now is a long-term plan of at least five years duration. It has submitted a proposal to the Council for a regulation on the issue and the European Parliament has already approved the move.

DEVELOPMENT: "Historic Scandal" to be corrected

Ten years after it first drew up its global policy towards Third World nations, the European Commission has called on European Community member states to redirect their aid efforts towards agricultural and food production programmes.

"The neglect of agriculture and food production in the developing countries is a historic scandal", European Development Commissioner Edgard Pisani told reporters when he recently unveiled the contents of his new "memorandum" in Brussels.

Commissioner Pisani's analysis of the agricultural problems facing Third World nations is a particularly grim one. Food production is down, particularly in Africa, and developing countries who currently import some 85 million tons of cereals will be forced by the end of the century to import up to 220 million tons, most of which will be produced in the West. "How will these countries be able to afford both cereals and oil?" asks Pisani. The answer does not lie in rapid industrialisation or even in the production of cash crops as coffee, cocoa, and tea. What is needed, says the Commissioner, is more effort and investment in the subsistence farming sector. "We must help peasant farmers in Africa if we are to stop the uncontrolled growth of the Third World's urban population", says Commissioner Pisani.

But the help to be given African farmers should not focus on money alone, although this is of course important. The dialogue between the aid donor and the recipient, says the Commission, should not be limited to devising a project and financing it. It should include a real policy dialogue, whereby the European Community can become a "partner" and not merely an "aid donor" in the Third World. "The Community should define its objectives very clearly", stresses Pisani.

The Commissioner has also called for a doubling of European aid efforts in the developing countries. He argues that on top of aid given by individual member states, the Community as a whole should give 0.1 percent of its combined gross national product (GNP) as development aid instead of the existing 0.05 percent. This aid should also be made more flexible as far as its administrative aspects are concerned.

Another major innovation suggested by the Commission concerns the future of the Lome Convention, the wide-ranging trade and aid agreement which links the EEC to 62 African, Caribbean and Pacific (ACP) states. Commissioner Pisani suggests that the new Convention - scheduled to be renegotiated next year - should be concluded for an unlimited period. He recognises, however, that certain aspects of the agreement will have to be valid for more specific

periods. Such an arrangement should allow both the European Commission and the ACP states to plan ahead for long-term operations, while at the same time enabling specific problems and changing local or regional situations to be taken into account.

Finally, Commissioner Pisani suggests that the Community should work out a global convention with the different countries of the Mediterranean region. Although he concedes that such an agreement will be difficult to conclude, he is convinced that it will be of "historic importance" for Europe and the Mediterranean states who are the EEC's most immediate Third World neighbours.

#### EDUCATION: Jobs abroad for young workers

To improve the awareness of young European workers about European Community countries, the Commission is expanding its programme to promote young worker exchanges.

During the second joint programme, launched in July 1979 to December 1981, some 1,724 young workers from European Community member states took part by spending some time in another member country in order to improve their professional training as well as their cultural and linguistic knowledge and experience. In addition, initial estimates indicate that some 960 young workers participated in 1982 alone.

In an answer to a question from Vera Squarcialupi, a Communist member of the European Parliament from Italy, the Commission also gave some additional details about the sex and nationality of the young workers involved in this project. It noted that the proportion of young female workers taking part has been growing since 1979, from an estimated 30 percent of the total to an expected 36 percent in 1982.

The largest number of young workers participating in the exchange programme, came from France with 453 participants, followed by Great Britain with 368. Next was the Federal Republic of Germany with 262, Italy with 246, Ireland with 159, Denmark with 90, the Netherlands with 80, Belgium with 39, Greece with 24 and Luxembourg with 3.

AGRICULTURE: Buffer zone to keep out foot and mouth

For the relatively modest sum of \$870,000 cattle in the European Community could be protected against imported foot and mouth disease until 1984. This is the amount that the Food and Agriculture Organisation of the United Nations is asking from the European Community for the purchase of vaccine. No price tag can be put on the health of European livestock and the European Commission has just asked for the Council of Ministers' approval of the scheme.

Farmers have always lived in fear of an epidemic of foot and mouth disease, which in the past has decimated their herds. Today effective vaccines exist against the most common European forms of this disease but other foreign strains from outside Europe are often deadly.

Viruses don't observe borders. In recent years, several epidemics have been started by rare strains of foot and mouth disease, known as SAT I, A 22, Asia I, notably in Turkey and Greece. The penetration of these viruses into Community territory could have been disastrous.

In order to stop the progress of foreign viruses into Europe, the FAO, with the financial assistance of the European Community and other European states set up a kind of "cordon sanitaire" against disease in 1962. This consists of a buffer zone along the Greco-Turkish border in which all animals susceptible to foot and mouth disease have been systematically vaccinated. The \$870,000 that the FAO has asked the European Community for, would primarily go toward the purchase of vaccines to maintain the buffer zone. About 750,000 doses of vaccine will be required each year and the Community's financial contribution would allow the continuation of the programme until 1984.